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INTERNATIONAL BANKING COMES TO AMERICA - PART II*

BY CALVIN STEINBERGER, Director, Oklahoma Committee to Restore the Constitution

Continued from June, 1993 Bulletin, Committee to Restore the Constitution.

After the election of Democrat Woodrow Wilson in 1912, the Warburg's Democratic Party Plan was presented to Congress as the Owens-Glass Bill, thus bearing the names of two popular Democrats. It was rammed through Congress on December 23, 1913 during the Christmas holiday rush after only 8 days in the House without any Public Hearings. The vote was 298 to 60 in the House, and 43 to 25 in the Senate. On that day, the Constitution ceased to be the governing covenant of the American people. Our liberties were handed over to a small group of International Bankers.

It remained for Congressman Charles A. Lindbergh, Sr., father of the famous aviator, to speak on Dec. 22, 1913 after the votes had been recorded in the House:

"This Act establishes the most gigantic trust on earth ... When the President signs this Act the invisible government by the money power, ... will be legalized ... This is the Aldrich Bill in disguise ... The new law will create inflation whenever the trusts want inflation ... From now on, depressions will be scientifically created."

Invisible Monetary Power

The Federal Reserve System is a privately owned fractional reserve central bank of money issue, organized for private profit and independent of government. The following sources are presented in evidence.

The Encyclopedia Britannica (Vol. 9, Pg. 137 - in the older editions: Vol. 9, Pg. 140, 1969 printing) states: "The twelve Federal Reserve Banks are privately owned ... The reserve banks are not government banks."

In his memoirs, William McAdoo - Woodrow Wilson's son-in-law and Secretary of the Treasury when the Federal

Reserve Act was passed (ref: William G. McAdoo, "Crowded Years," 1913, Pg. 286) declared: "the Fed was designed to have power over the Treasury." He wrote that though "...the Federal Reserve Board still has offices in the Treasury Building, it is not at all subservient to the Treasury Department - and never was."

In "A Primer on Money", the Subcommittee on Domestic Finance, Committee on Banking and Currency, House of Representatives, 88th Congress, U.S. Government Printing Office, Washington, 1964, Pg. 21-22, said: "Although a creature of Congress, the Federal Reserve is in practice, independent of that body in its policy making ... The Federal Reserve neither requires nor seeks the approval of any branch of government for its policies. The system itself decides what ends its policies are aimed at and then takes whatever actions it sees fit to reach those ends."

On June 10, 1932 in the midst of the great Depression, Representative Louis T. McFadden - former President of the First National Bank at Canton, Pa. and then present Chairman of the powerful Committee on Banking and Currency - made an historic speech before the House of Representatives (see Congressional Record Pgs. 12595-12603). In that speech, he said: "Some people think the Federal Reserve banks are United States Government institutions. They are not government institutions. They are private credit monopolies which prey upon the people of the United States for the benefit of themselves and their foreign customers ... The Federal Reserve banks are the agents of the foreign central banks ..."

Why America is Broke

The Federal Reserve system has never allowed itself to be audited by any agency of the Federal Government. It does not have

free government postal franking privileges. It does not receive any appropriations of money from Congress. It is therefore immune from any and all government scrutiny by elective officials.

According to the Wall Street Journal dated October 22, 1975, the total federal bonded indebtedness is expected to climb to \$453.1 billion in fiscal 1976. We are now paying, annually an estimated \$36 billion interest to the International Banking Syndicate on this debt! Since most government bonds are owned by major international banks, there is no secret where the money profits of U.S. national debt is going. Without a public audit, Americans may never know the foreign recipients of such profits.

Apologists for the Federal Reserve system, i.e. - The American Bankers Association, - say in their textbook entitled: -"Money and Banking" (Pg. 234) that "the member banks own the 12 Federal Reserve banks". However, in hearings before the Subcommittee on Economic Stabilization of the Joint Economic Committee in 1956 there is a revealing question and answer discussion between Representative Wright Patman (Chairman) and Mr. William McChesney Martin (then Chairman of the Fed's Board of Governors):

The Chairman: "... Therefore the statement that the (member) banks own the Federal Reserve System is not a correct statement, is it?"

Mr. Martin: "The banks do not own the Federal Reserve System."

Again, Mr. M.S. Szymczak, member of the Federal Reserve System in hearings before the House Small Business Committee on problems of small business financing, April, 1958 is quoted as follows:

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The Chairman: (Mr. Patman): "Do you agree with Mr. Martin that the member banks do not own the Federal Reserve banks, and have no claim to their assets or income other than the interest payments on the so-called stock which the member banks are required to subscribe to the Federal Reserve banks?"

Mr. Szymczak: "That is correct."

The so-called stock of a Federal Reserve member bank carries no proprietary interest, and is unlike the stock of any private corporation. It cannot be sold or pledged for loans. It thus does not represent an ownership claim.

F.E.D. Operational Structure

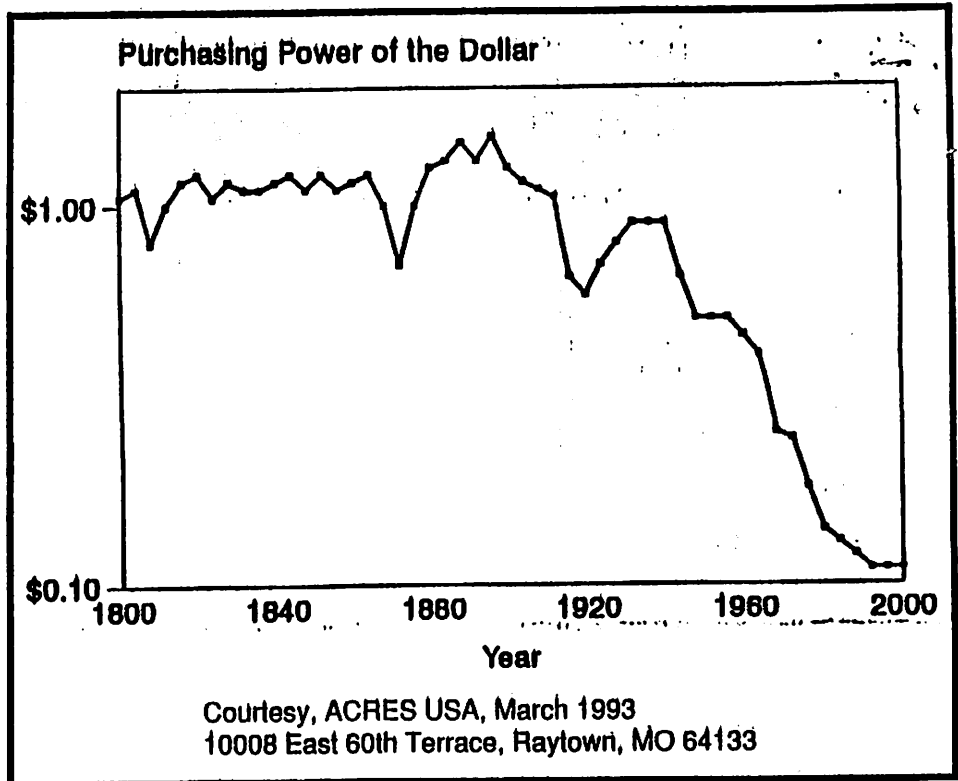
There are 12 Federal Reserve banks located at Boston (Mass.), New York (N.Y.), Philadelphia (Penn.), Cleveland (Ohio), Richmond (Va.), Atlanta (Ga.), Chicago (Ill.), St. Louis (Mo.), Minneapolis (Minn.), Kansas City (Kansas), Dallas (Tex.), and San Francisco (Calif.). In addition, the FRS has 24 branch banks located at other towns.

Each FR bank has a board of directors comprised of 9 men. Six of the 9 men are elected by member banks within the district, and 3 are appointed by the FR Board of Governors. The President and Vice-President of each FR bank is selected by its B of D; however, they are subject to approval by the FR Board of Governors.

On the FR Board of Governors, there are 7 men, who are appointed by the President of the U.S. (with consent of the Senate) for staggered terms of 14 years. There is a vacancy to be appointed every 2 years. The staff advisors for these men are provided by and from within the FR System.

The real power structure or central decision making body of the FR System, — the "elite" which decides whether there will be "feast or famine" throughout the land, is the Federal Open Market Committee. This committee is comprised of the 7 member Board of Governors and 5 Governors of the Federal Reserve Banks of Boston, New York, Philadelphia, Chicago, and Cleveland. While the Presidents of each of the 12 FR banks are allowed to sit-in on the Committee's discussions, only 5 are voting members of the Committee. The President of the NY Federal Reserve Bank is always one of the 5 permitted to vote.

The Wall Street Journal, in an article dated May 2, 1975, declared, "The NY Fed



is the biggest of the 12 regional FR banks and is regulator of some of the country's largest commercial banks. It is solely responsible for executing domestic and international monetary policy on behalf of the FR and the Treasury. The President of the NY Fed is by law a permanent member of the Federal Open Market Committee, which sets monetary policy for the nation. The bank also maintains accounts and executes financial transactions for foreign central banks and monetary authorities."

Power of Boom and Bust

The Federal open market committee meets every 3 weeks in Washington in sessions that are "closed" to all public and/or governmental scrutiny. Not even the President of the U.S. or the Secretary of the Treasury can attend these secret sessions. The FR has never allowed a public or government audit of its affairs. The official minutes of their meetings are kept secret for 6 years (after the statute of limitations has run out on any crime that may have been committed!) And, its decisions are withheld from the public and are not released until after a period of 90 days has elapsed. According to The Wall Street Journal, March 11, 1975, FR Chairman, Arthur Burns, said: "Quicker release would only help speculators make a killing."

American victims of the Fed might be interested in knowing a little of the background of the present Chairman of the Federal Reserve Board: Arthur Frank Burns (real name "Burnsieg") was born in Stanislaw, Austria on April 27, 1904. His family came to the U.S. when he was a boy.

He is a graduate of Columbia University. In 1930, Burns became associated with the National Bureau of Economic Research, a Rockefeller Foundation agency. In 1945, he succeeded Wesley C. Mitchell as Director of Research. Mitchell, who had a profound influence on Burns, was affiliated with many communist fronts. In 1937, Mitchell was a research consultant to the Treasury Department at the same time that Harry Dexter White was Assistant Director of Research for the same Department. WHO'S WHO IN WORLD JEWRY, 1965 listed Mitchell as a trustee of the Twentieth Century Fund, founded in 1919 by wealthy Boston merchant, Edward A. Filene. Filene was also affiliated with pro-communist organizations. The Twentieth Century Fund has financed fabian socialist activities in the U.S. for half a century. Among the officials of the Fund have been Arthur Schlesinger, Jr., John Kenneth Galbraith, J. Robert Oppenheimer, and Evans Clark. Burns is also a member of the Rockefeller-controlled Council On Foreign Relations, and a member of the Atlantic Union Committee, promoters of one-world government.

The decisions of the Federal Open Market Committee on monetary affairs are made known to only a relative handful of bankers who are in a favored position to profit from this advance knowledge. The conflict of interest here is absolutely fantastic!

In the domestic economy, the Fed operates by influencing interest rates and creating new money. It has three main tools: (continued page 3)

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- (1) It can raise or lower the discount rate, at which member banks borrow from the Fed itself.
- (2) It can raise or lower the proportion of reserves that member banks must keep to back their loans; And,
- (3) It can buy or sell government securities on the Open Market.

Inflation and Depression

The word "swindle" is the usual name for obtaining money or property by fraud or deceit. Unquestionably, the greatest swindle in the history of mankind is the inflating process under way in the U.S. (and in fact throughout the world), through the manipulations of the "fractional reserve" Federal Reserve System.

"Inflation" is merely a matter of too much money chasing too few goods. It may be likened to a cattle auction. If the government were to give more money to any or all of the cattle bidders, and assuming that there was not a corresponding increase in the number of cattle to be sold, those bidders with the added money could and would bid up the prices in order to acquire the cattle which they desired. Thus, it can be seen that the increase in prices of consumer goods (and later the agitation by Labor Unions for higher wages in order to keep up with higher prices) is not the cause of inflation, but in fact is the necessary and natural result of the excessive creation of money!

Here is how the FRS "creates" money (causes inflation):

- (1) Let us assume that the Federal Government needs \$1000 over and above what it takes in from taxes in order to satisfy its deficit spending policies.
- (2) Through its Open Market Committee, the FRS determines what the prime interest rate is to be, and what the nation's bank reserves shall be. For purposes of illustration, let us assume that the interest rate is set at 8% and the bank reserve rate is set at 20%.
- (3) The U.S. Treasurer tells the Bureau of Engraving and Printing to print \$1000 in U.S. interest bearing bonds.
- (4) At the same time, the FR banks order the same Bureau of Engraving and Printing to print \$1000 in Federal Reserve Notes (i.e. money). The Fed merely pays for the cost of the paper and ink for this "money".
- (5) The FR bank then "swaps" the \$1000 in Federal Reserve Notes for the \$1000 interest bearing bonds.

How It Works

These bonds which were created out of nothing are thus supplying \$80 (assuming bond interest rate to be 8% per annum) per year to the Syndicate. Should the Fed so desire, it may then redeposit the bonds with the Treasury Department as collateral, and receive an additional \$1000 in Federal Reserve Notes! Interest to the International Banking Syndicate may be collected a second time when the Fed lends its notes out to its member banks! This is why the FRS has never allowed an audit or investigation of its operations.

To continue the process of "inflation": Through the "fractional reserve" banking system, the money supplied by the Fed to its banks is then lent out to local customers. Here is how it works. (See The Wall Street Journal dated June 30, 1975):

- (1) The Fed has set the bank's reserve requirement at say 20%. When a bank customer receives a deposit of \$1000 in new currency, it can then loan out \$800 (it must keep 20%, or \$200, as its "reserve"). We now have \$800 new money in circulation over and above the original \$1000. (Total now \$1800).
- (2) The recipient of the first bank's loan pays his debtors the \$800, and they in turn deposit it in their bank. The second bank may then loan out \$640 (it must keep 20% of \$800 or \$160 as "reserve"). We now have \$640 new money in circulation over and above the above mentioned \$1800. (Total now \$2440).
- (3) This same process of lending and depositing and lending and depositing continues throughout the banking system until the original \$1000 in new currency has expanded the money supply by approx. \$5000. (\$4982 to be exact)!

During this period of induced inflation, the Syndicate is selling stocks and bonds and other assets to the public at high prices.

There comes a time when the Syndicate decides to create a "depression" in order to buy back the wealth of the people at reduced prices.

The money swindle is quite simple.

To withdraw money from circulation (to create a "depression"), the Fed merely sells its government securities (i.e. interest bearing bonds) to individuals or to banks and or raises its bank reserve requirements. Since this creates an induced "money shortage", short and long term interest rates of banks to their customers rise. This is because the banks are "compelling" among themselves for the necessary capital to

supply their local needs.

As the people "panic" from time-to-time, the Syndicate merely continues to centralize their control of government until finally they accomplished what they have set out to do; which is, to establish a One-World government, with an International Police Force (to control the "people"), and an International Currency, which will undoubtedly be backed by gold, now owned by the Syndicate.

Biggest fear is exposure of their methods, and an intelligent constitutional revolt by the people (including local bankers, who are themselves being systematically eliminated by the Syndicate).

Foreign Aid, Too

The Agency for International Development, U.S. State Department, recently printed a listing of our country's "loans" and give-aways to foreign countries covering the period 1946 to 1974. On this list, there are approximately 150 recipients (i.e. governments) who have received a grand total of \$172,109,000,000 over a period of 28 years!

The Syndicate uses U.S. "foreign aid" program to fleece the people and generate profits for itself. The Foreign Aid tool has been very successfully used to establish, consolidate, and maintain socialist take-overs in foreign countries.

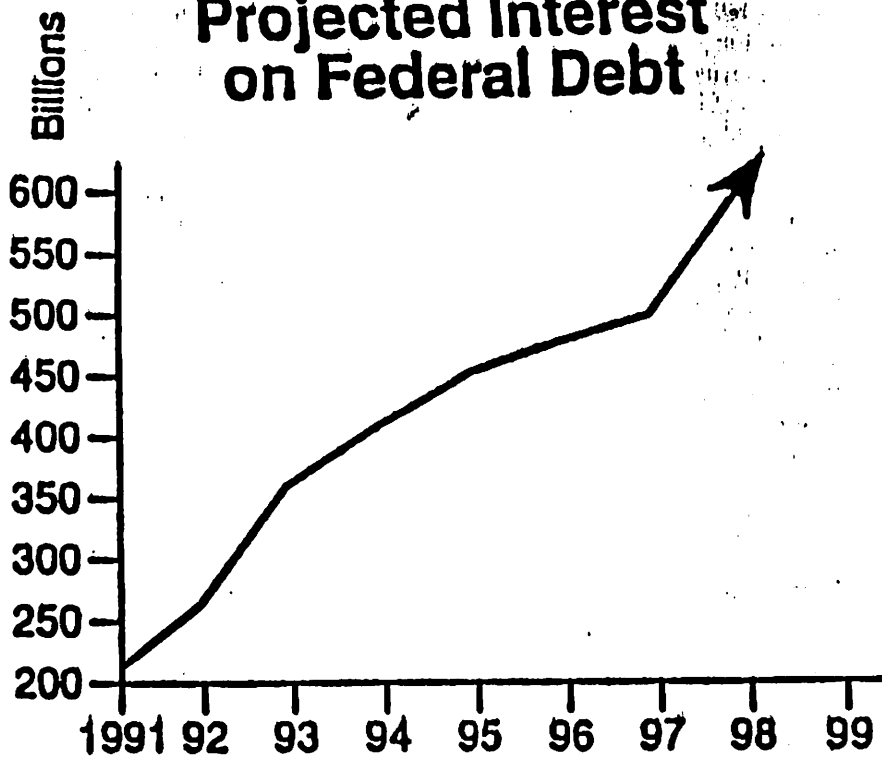
An increasingly important agency for looting America is the Export-Import Bank, known as Eximbank. Eximbank was originally established in 1934, one year after U.S. official recognition of the Soviet Union, under President Roosevelt to finance and promote trade with Communist Russia.

In short, the Eximbank might be described as a peacetime Lend-Lease operation designed to establish overseas markets for ambitious Internationalists, and create interest-bearing, guaranteed loan propositions for International Bankers.

On July 8, 1971, the "Export-Import Expansion Act" was passed at the request and urging of the White House. After passage of this Act, the obligations of the Eximbank were exempted from both the budget and the debt ceiling. Also, the previous restriction against financing credit deals with any country "aiding or abetting countries with who we are in armed conflict", was removed with passage of the new Act. As of the date of July 8, 1971, all government propaganda which emanates from Washington concerning so-called raising of temporary "debt ceiling" does not include Export-Import Bank obligations.

As part of the massive effort to build the Communist economy by looting the U.S., Richard Nixon appointed William Casey to President of the Eximbank. Casey

Projected Interest on Federal Debt



Courtesy, ACRES USA, March 1993
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is a member of the Rockefeller controlled Council on Foreign Relations. The Wall Street Journal dated, October 23, 1975, stated that Casey recently resigned from the Eximbank and, that the "U.S. Export-Import Bank is in financial difficulty." The article said that "the CAO, a watchdog agency of Congress said the bank has 'loan-collection' problems ... Most of the bank's disbursements were against loans approved earlier at a 6% annual interest rate, while funds covering these disbursements were borrowed at higher rates ..."

As an example of what has been going on: The Eximbank agreed to put up 45% of the funds necessary to finance the Kama River Factory in the Soviet Union. This factory is to be the largest producer of trucks in the world. It will produce 150,000 heavy trucks per year, more than the combined output of such trucks by all American factories. The complex is being built by a division of the Pullman Company at a cost of \$2 billion. The Soviets are going to put up only 10% of the cost for the project while David Rockefeller's Chase Manhattan Bank will put up the remaining 45%. The Eximbank interest charged was 6%, and it naturally cost the Eximbank more in interest to obtain the funds with which to lend out. The repayment period for the loan is 12 years with a grace period of 4-1/2 years, which means that it will be 16-1/2 years, if ever, before the first payment is made.

Overseas Private Investment Corporation

David Rockefeller, the shrewdest and most powerful banker in the U.S., would not risk Chase Manhattan's money unless he were sure of repayment! David is sure of repayment. Chase's loan is guaranteed by the Overseas Private Investment Corporation (OPIC). OPIC was formed as an independent Federal Agency in 1969 in the heyday of the foreign-aid syndrome which engulfed Congress. One of the big incentives offered by OPIC is tax-financed, high-risk insurance to guarantee these foreign-aid investments against "war, revolution, insurrection, expropriation, and currency inconvertibility". The Syndicate propaganda declared that, if our government would entice Americans to risk their capital in these politically shaky countries and help to improve their economies, not only would the local natives love the Americans but we would prevent them from going Communist. It was a nice premise, but it was as big a hoax as the other foreign-aid schemes.

And then there is the Food For Peace program. Repayment for these food give-away programs (including those to Communist countries) can extend 20 years, with interest rates as low as 2% (At the current rate of inflation, a 2% loan to be paid back in 20 years means that such food is virtually free (assuming that they ever pay for it). The "experts" are predicting a

30-50% increase in the cost of food within the U.S., due, in part to "Food For Peace" programs. Worldwide food shortages and rationing are anticipated in the not-too-distant future. The American people had fist fights over gasoline shortages. What will it be like when the supermarkets are empty?

Most, if not all, of these give-away programs (such as the recent Grain Steal with Russia) provide that the recipient country is to pay (for grain, etc.) in its own currency, which would have to remain in that country to be used on future "projects".

Planned Panic

The callousness of the International Banking Syndicate, in their drive for dominance, is inconceivable to the uninformed. Two sources confirm the charge.

(a.) (From "National Economy and The Banking System of The United States", Document No. 23; 76th Congress, 1st Session, U.S. Government Printing Office, Washington, 1939.)

According to these Congressional Hearings, the Rothschild Brothers of London - pushing the National Banking Act of 1863 - wrote to a firm of N.Y. bankers on June 25, 1973: "The few who can understand the system (checkbook money and credits) will either be so interested in its profits, or so dependent on its favors, that there will be no opposition from that class, while on the other hand, the great body of people mentally incapable of comprehending the tremendous advantages that capital derives from the system, will bear its burdens without complaint, and perhaps without even suspecting that the system is inimical to their interests."

Soon after passage of the 1863 Act, the Syndicate created the financial Panic of 1873. Wrecked in this panic were 172 state banks, 177 private banks, 47 savings banks, 13 loan and trust companies, and 16 mortgage companies. It was computed that 9 commercial houses out of every 1000 then doing business in the U.S. failed.

(b.) (From the "bankers manifest" (for private circulation among leading International Bankers only) taken from the Civil Servant's Year Book, "The Organizer" January, and the "New American," February, 1934.)

"Capital must protect itself in every way, through combination

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and through legislation. Debts must be collected and loans and mortgages foreclosed as soon as possible. When through a process of law the common people have lost their homes, they will be more tractable and more easily governed by the strong arm of the law, applied by the central power of wealth under control of leading financiers. People without homes will not quarrel with their leaders. This is well known among our principal men, now engaged in forming an imperialism of capital to govern the world. By dividing the people we can get them to expand their energies in fighting over questions of no importance to us except as teachers of the common herd. Thus by discreet action we can secure for ourselves what has been generally planned and successfully accomplished."

Land of the Dispossessed

Shortly after passage of the Federal Reserve Act of 1913, there occurred the following two financial panics:

- (1) **Agricultural Panic of 1921:** So successful was this induced Panic that commodity prices fell 50% and industrial production 32%. Thousands of farms were foreclosed in 1920-21. Called before the Senate Silver Hearings in 1939, Senator Robert L. Owen, Chairman of the Senate Banking and Currency Committee and repentant co-author of the Federal Reserve Act, testified concerning the conspiracy which created the "Panic of 1921":

"In the early part of 1920, the farmers were extremely prosperous. They were paying off their mortgages and buying a lot of new land, at the insistence of the government - had borrowed money to do it - and then they were bankrupted by a sudden contraction of credit and currency which took place in 1920 ... The Federal Reserve Board met in a meeting which was not disclosed to the public. They met on the 18th of May, 1920, and it was a secret meeting ... Only the big bankers were there, and their work of that day resulted in a contraction of credit (by ordering banks to call in outstanding loans) which had the effect the next year of

reducing the national income \$15 billion dollars, throwing millions of people out of employment and reducing the value of lands and ranches by \$20 billion dollars."

Further evidence of the action of the Federal Reserve Board in depressing prices in 1920 was provided by Mr. Swing, California Congressman, in a speech made in the House of Representatives, May 23, 1922. Mr. Swing said: "I was present at a meeting of the bankers of Southern California held in my district in the middle of Nov. 1920, when W.A. Day, then Deputy Governor of the Federal Reserve Bank of San Francisco, spoke for the Federal Reserve Bank and delivered the message which he said he had been sent there to deliver. He told the bankers there assembled that they were not to loan any farmers any money for the purpose of enabling the farmer to hold any of his crop beyond harvest time. If they did, he said, the Federal Reserve Bank would refuse to discount a single piece of paper taken in such a transaction. He declared that all the farmers should sell their crops at the harvest time ... No one could be in any doubt for one minute as to what the natural, logical, and necessary consequences of such a policy would be. If the entire crop of the country is thrown on the market at the time of harvest, of course the market would be depressed. The Federal Reserve Board deliberately set out to bear the market."

This contrived policy of the Fed broke over 5400 banks. The giant banks picked up the assets of the broken ones, in many cases at 5 to 7 cents on the dollar, and many of the larger bankrupt businesses were acquired by corporations owned or controlled by the same "Insiders".

1929 Revisited

- (2) **The Great Depression of 1929-39.** The House Hearings on Stabilization of the Purchasing Power of the Dollar disclosed evidence in 1928 that the Federal Reserve Board was working closely with the heads of European central banks. The Committee warned that a major crash had been planned in 1927 at a secret luncheon of the Federal Reserve Board and heads of the European central banks.

Montagu Norman, Governor of the Bank of England, came to Washington on February 6, 1929 to confer with Andrew Mellon, Secretary of the Treasury. Immediately after this mysterious visit, the Federal Reserve Board

reversed its easy-money policy and began raising the discount rate.

Prof. Quigley in his important book "Tragedy and Hope", 1966, related on Pg. 344: "At this critical moment, on September 26, 1929, a minor financial panic in London (the Hatry Case) caused the Bank of England to raise its bank rate from 4-1/2 to 6-1/2%. This was enough. British funds began to leave Wall Street, and the over inflated market commenced to sag."

On Oct. 24, the Great Depression began.

Writing in, "The United States' Unresolved Monetary and Political Problems," William Bryan described what happened: "When everything was ready, the New York financiers started calling 24 hour broker call loans. This meant that the stock brokers and the customers had to dump their stock on the market in order to pay the loans. This naturally collapsed the stock market and brought a banking collapse all over the country because banks not owned by the oligarchy were heavily involved in broker call loans at this time, and bank runs soon exhausted their coin and currency and they had to close. The Federal Reserve System would not come to their aid ..."

Stocks fell 90% from their 1929 highs and were kept down; the nation's total money supply decreased by about \$8 billion, or one-third, between 1929 and 1933; and the number of commercial banks in the United States declined drastically.

Thus, the Federal Reserve Act which promised to eliminate bank failures, actually eliminated banks; the weaker banks being those that refused to join the system; the independent, small town bankers comprising the backbone of local ownership of money and credit - all were eliminated with the same ruthlessness with which the Mafia eliminates its competitors.

By 1932 the Great Inflation of the Twenties had turned into the Great Depression of the Thirties, and with the election of one of the Syndicate's front men, Franklin Roosevelt, in 1932, the International Banking Syndicate moved to consolidate their control of U.S. money and credit by arranging to call in gold lest it be used as a hedge against any future massive expansion of the money supply by the Federal Reserve. This resulted in the Presidential Executive Order of April 5, 1933, requiring all Americans to take their

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gold bullion, gold coins, and gold-backed currency to their banks and exchange them for currency that was not redeemable in precious metal. The banks, in turn, were required to deliver the gold and gold coins to the Federal Reserve Bank.

By Fraud and Deceit

With the bulk of the nation's gold stock in the possession of the Fed, and its monopoly over our money supply established, the Syndicate exploited its position. On Jan. 31, 1934, President Roosevelt reduced the gold content of the dollar by 40.94%. The new price of gold was established at \$35 per ounce in place of the old price of \$20.67 per ounce. Overnight, the value of the gold then in possession of the Fed was increased by almost \$3 billion dollars!

The game plan of the Syndicate is, as always, to:

- a. Acquire by fraud and deceit the wealth of the people.
- b. Gain political control over all nations.
- c. Consolidate and merge such nations into a One-World Socialist system controlled by an International Police Force.

That our nation is presently on the brink of another contrived and induced money "panic" such as occurred in 1920 and 1929 is without question. What we don't know, is the exact timing when the plug is to be pulled. Perhaps the New York City crisis will be the catalyst that will be used as an excuse by the Syndicate. (This article was written on Oct. 28, 1975).

On Sept. 18, 1974, The Wall Street Journal carried an article entitled "Numerous Defections by Members Worry Officials at the Fed". In the article it was revealed that there is a present trend by state banks to withdraw from the Federal Reserve System which, as Chairman Arthur Burns said: "if this slippage continues it may weaken public confidence in the nations central bank." The article also revealed why so many independent and state banks were withdrawing from the Fed. Two primary reasons were given: (1) Member banks are required by the Fed to set aside a proportion of their deposits into a special sterile reserve account on which no interest is paid them by the Fed, nor are they allowed to invest these funds in readily marketable state and federal securities. Thus the member banks have no income opportunity from this reserve account. And, (2) State banks are allowed to count as their reserves the money which they have deposited in other correspondent banks. The Fed System does not allow this. The time is ripe for another induced panic to be generated to liquidate and/or control those banks that are beginning

to rebel.

U.N. International Monetary Fund

The Wall Street Journal, dated Oct. 29, 1975, revealed that the United Nation's International Monetary Fund, according to its managing director, H. Johannes Witteveen, "ought to evolve into a world central bank." The main reason given "would be to prevent inflation." The stage is now being set by the Syndicate to establish one-world, central bank and perhaps a new "currency" to replace the old national currencies.

With this background, and Public Law 89-356, which was passed in 1966, exempting banks from the anti-trust laws, the way is open to massive mergers, leading to control of the nation's banking system by a handful of multi-billion dollar bankers. Recently proposed legislation by the Syndicate, exposes the plan.

On the national level, bill S 1473 would establish a "National Development Bank". Sen. Humphrey, its chief sponsor, introduced the bill in the Senate on April 18, 1975. This bill would provide an "alternative source of credit to state and local governments for the purpose of financing public and quasi-public facilities of all types". The bank would reserve unto itself the right to "reject any projects inconsistent with comprehensive planning for the communities being served." In other words, regional government agencies such as INCOG would have to approve. Any losses would be taken care of through "federal subsidies." The tip-off on this legislation is that the new bank would have a 15 member Board of Directors appointed by the President, with one member being from the Federal Reserve, 4 from the Executive Branch of the government, 4 from the "general public", 2 from the National League of Cities (NLC), 2 from the National Association of County Officials (NACO), and 2 from the National Governors Conference (NGC). These latter three organizations are part of the Rockefeller-controlled Administrative Clearing House, of Chicago and New York.

Oklahoma Rip Off

On the Oklahoma State level, there is once defeated Senate Bill No. 172, a bill which would establish "Bank Holding Companies" in Oklahoma. The bill was sponsored by Terrell in the Senate and Draper, Holden, and Hopkins of the House. This bill will eventually eliminate the small town independent bank. Those banks left remaining would be controlled by the Syndicate through their "front", the Federal Reserve System. Since the interlocking directorship of these major bank holding

companies would reside in metropolitan centers, their interest in supplying loans to rural areas and people would be suspect.

One other interesting development in this attempt by the Syndicate to boggle up the reserves of the small town independent banks occurred when the State passed, in April, 1970, the "Oklahoma Business Development Corporation Act". The OBDC is actively promoted by INCOG and other regional government entities. It is the goal of the OBDC to "have every Oklahoma bank as a member." Quite interestingly and now without reason, two of the largest contractors for regional government, Hudgins, Thompson, & Ball of Oklahoma City, and The Williams Companies of Tulsa, are listed among their "stockholders". Unfortunately, the Oklahoma Farm Bureau Mutual Insurance Co. of Oklahoma City and the Cattlemen's Life Insurance Co. of Oklahoma City, have also been sucked in on the deal.

Basically, the OBDC is an attempt to form a Corporation, at least partially funded by public funds, whose Board of Directors can have access to, and centralized control over, the lending capacity of rural banks. In fact, the OBDC by-laws blatantly state that its directors need not be "stockholders" or "members", and that a non-majority of the stock of the Corporation is "transferable" to out of state residents or firms. (A tie-in to the bank holding company scheme). The B of D are not personally liable for their actions on the Board, and they may (in the absence of fraud only) influence high-risk loans to firms that may themselves be owned or controlled by members who sit on the B of D.

The conflict of interest is absolutely unlimited!

**Calvin C. Steinberger, deceased, pgs. 147-162, EMERGING STRUGGLE FOR STATE SOVEREIGNTY, (1979) by Archibald E. Roberts, Lt. Col. AUS, ret. Hardcover: \$9.95, Betsy Ross Press, P.O. Box 986, Ft. Collins, CO 80522.*

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